Surplus Fund With Oil PSUs

2004. SHRI S.M. LALJAN BASHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that ONGC or other PSUs are making a bid for a controversial Russian oil company called Yukos;

(b) the details of the efforts of oil PSUs to acquire this controversial company in Russia;

(c) whether such acquisitions are appropriate action by oil PSUs;

(d) whether Government will conduct a study to see whether surplus funds or profits with oil PSUs must be given to Government to indulge in pyramid building by oil PSUs; and

(e) the steps proposed to consider haulting such dubious investments?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) To enhance the country's energy security, in keeping with the objectives of the Energy Security section of the National Common Minimum Programme, the National Oil Companies such as ONGC videsh Ltd. (OVL), IOC, OIL and GAIL, have been pursuing the acquisition of equity oil abroad, as well as the acquisition abroad of oil and gas exploration acreages and producing properties. Conducting due diligence along or in association with other players, of any perceived good opportunity is an ongoing process.

ONGC Videsh Limited (OVL), a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), is studying the possibility of acquiring a participating interest in Yuganskneftegaz, a subsidiary of Russian oil and gas company Yukos.

All proposals of acquisition of equity oil are examined thoroughly with the help of well-known international experts by the Board of OVL in respect of technoeconomic feasibility and commercial viability after due assessment of various risks, including legal and political. Then, under established procedure approved by the Government, approvals are sought from the due authorities before making any investment.